



ERNIE FLETCHER
GOVERNOR

EXECUTIVE ORDER

2003 - 064

December 23, 2003

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JOHN Y BROWN III
COMMONWEALTH OF KENTUCKY
BY [Signature]

Secretary of State
Frankfort
Kentucky

RELATING TO REORGANIZATION OF THE
EXECUTIVE BRANCH OF GOVERNMENT

WHEREAS, I campaigned for Governor with a commitment to streamline state government and ensure that citizens of Kentucky get the best value for their tax dollars; and

WHEREAS, public officials must constantly seek improvements in the quality of state services and their administration and management; and

WHEREAS, the electorate has mandated a modernization of government organizations and delivery systems to improve services and minimize the costs thereof; and

WHEREAS, the Governor's Blue Ribbon Commission On Governmental Organization and Efficiency has proposed certain modifications of the governmental structure to further the objectives of improved management and more effective service to the taxpaying public; and

WHEREAS, it is my intent to fully review and consider the recommendations of the Blue Ribbon Commission in a thoughtful, step by step, and methodical manner; and

WHEREAS, I have concluded that, as an initial implementation phase of reorganization, a merger of various cabinets of the Executive Branch of government will promote a more efficient, economical and integrated system for the delivery of services; and

WHEREAS, KRS 12.020 and KRS 12.023 establish the program cabinets headed by appointed officers and establish the organizational units and administrative bodies attached to the Office of the Governor; and

WHEREAS, the efficiency and economy of government and more effective delivery of services to the citizens of the Commonwealth of Kentucky will be enhanced by establishing a reorganization plan for the executive branch of state government;

NOW THEREFORE, I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, under the authority vested in me by the Kentucky Constitution, Sections 69 and 81, and KRS 12.028, do hereby ORDER and DIRECT the following:



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PART ONE

OFFICE OF THE GOVERNOR

I. The following organizational units and administrative bodies shall be attached to the Office of the Governor:

1. Department of Local Government
2. Department of Military Affairs
3. Kentucky Commission on Human Rights
4. Kentucky Commission on Women
5. Office of the State Budget Director
6. Department of Veterans' Affairs
7. Kentucky Commission on Military Affairs
8. The Department of Personnel ("Department") is hereby created and established. A Commissioner appointed by the Governor pursuant to KRS 12.040 shall head the Department. The Commissioner of the Department of Personnel shall be a member of the Governor's Executive Cabinet under the provisions of KRS 11.065. Except as otherwise provided, the Commissioner shall have exclusive control and direction over all duties, functions, and responsibilities previously exercised by the Secretary of the Personnel Cabinet. All authority, functions and responsibilities vested in the Secretary of the Personnel Cabinet are hereby transferred to the Commissioner of the Department of Personnel who shall use that authority, function and responsibility to carry out the functions of the Department. The Commissioner shall be responsible for making recommendations for the establishment of various divisions and organizational units within the Department so as to maximize efficiency of operation in order to carry out the missions and programs of the Department. The Personnel Cabinet is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the Personnel Cabinet are hereby transferred to the Department of Personnel

The Department of Personnel shall consist of the following organizational units that are hereby created:

- a. Office of Administrative and Legal Services – the Office of Administrative and Legal Services shall be headed by an Executive Director who shall be appointed by the Commissioner with the approval of the Governor in accordance with KRS 12.050.
- b. Office for Personnel Administration – the Department for Personnel Administration shall be renamed the Office for Personnel Administration. The Office for Personnel Administration shall be headed by an Executive Director who shall be appointed by the Commissioner with the approval of the Governor in accordance with KRS 12.050. All divisions within the Department for Personnel



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Administration shall be transferred to the Office for Personnel Administration.

- c. Office for Employee Relations – the Department for Employee Relations shall be renamed the Office for Employee Relations. The Office for Employee Relations shall be headed by an Executive Director who shall be appointed by the Commissioner with the approval of the Governor in accordance with KRS 12.050. All divisions within the Department for Employee Relations shall be transferred to the Office for Employee Relations.
- d. Office for Public Employee Health Insurance – the Office for Public Employee Health Insurance shall be headed by an Executive Director who shall be appointed by the Commissioner with the approval of the Governor in accordance with KRS 12.050.
- e. Kentucky Public Employees Deferred Compensation Authority, which shall be attached to the Department for administrative purposes only.

II. The Kentucky Commission on Human Rights, the Kentucky Commission on Women and the Commissioner of the Department of Personnel shall report to the Secretary of the Executive Cabinet.

PART TWO

ESTABLISHMENT OF THE CABINETS

I. There shall be eight program cabinets headed by appointed officers:

1. Education Cabinet
2. Finance and Administration Cabinet
3. Health and Family Services Cabinet
4. Transportation Cabinet
5. Commerce Cabinet
6. Environmental and Public Protection Cabinet
7. Justice and Public Safety Cabinet
8. Economic Development Cabinet

EDUCATION CABINET

I. The Education Cabinet is hereby created and established. A Secretary appointed by the Governor pursuant to KRS 12.255 shall head the Education Cabinet. Except as otherwise provided, the Secretary shall have exclusive control and direction over all duties, functions, and responsibilities previously exercised by the Secretary of the Education, Arts and Humanities Cabinet. All authority, functions and responsibilities previously vested in the Secretary of the Education, Arts and Humanities Cabinet, and the authority, functions and responsibilities previously vested in the Secretary of the



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Workforce Development Cabinet for the organizational units transferred from the Workforce Development Cabinet, are hereby transferred to the Secretary of the Education Cabinet who shall use that authority, function and responsibility to carry out the functions of the Cabinet. The Secretary shall be responsible for making recommendations for the establishment of various departments, divisions and organizational units within the Cabinet so as to maximize efficiency of operation in order to carry out the missions and programs of the Cabinet. The Education, Arts and Humanities Cabinet is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the organizational units of the Education, Arts and Humanities Cabinet identified below are hereby transferred to the Education Cabinet.

The Workforce Development Cabinet is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the organizational units of the Workforce Development Cabinet identified below are hereby transferred to the Education Cabinet.

The following organizational units are transferred from the Education, Arts and Humanities Cabinet and attached to the Education Cabinet:

- a) Department of Education
- b) Department for Libraries and Archives
- c) Kentucky Educational Television
- d) Kentucky Commission on the Deaf and Hard of Hearing
- e) Governor's Scholars Program
- f) Operations and Development Office
- g) Board of Directors for the Center for School Safety

The following organizational units are transferred from the Workforce Development Cabinet and attached to the Education Cabinet:

- a) Department for Technical Education
- b) Department for Vocational Rehabilitation
- c) Department for the Blind
- d) Department for Employment Services
- e) Kentucky Technical Education Personnel Board
- f) Department for Training and Reemployment
- g) Office of General Counsel
- h) Office of Communication Services
- i) Office of Workforce Partnerships
- j) Office of Workforce Analysis and Research
- k) Office of Budget and Administrative Services
- l) Office of Technology Services
- m) Office of Quality and Human Resources

The following organizational units are attached to the Education Cabinet:

- a) Council on Postsecondary Education



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- b) Education Professional Standards Board

FINANCE AND ADMINISTRATION CABINET

I. The Finance and Administration Cabinet is hereby re-created and established. A Secretary appointed by the Governor pursuant to KRS 12.255 shall head the Finance and Administration Cabinet. The Secretary shall have exclusive control and direction over all duties, functions, and responsibilities of the Cabinet and shall use that authority, function and responsibility to carry out the functions of the Cabinet. All authority, functions, responsibilities, records, equipment, staff and support budgets previously vested in the Secretary of the Revenue Cabinet are hereby transferred to the Secretary of the Finance and Administration Cabinet who shall use that authority, function and responsibility to carry out the functions of the Cabinet. The Secretary shall be responsible for making recommendations for the establishment of various departments, and organizational units within the Cabinet so as to maximize efficiency of operation in order to carry out the missions and programs of the Cabinet.

The Revenue Cabinet is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the Revenue Cabinet are hereby transferred to the Finance and Administration Cabinet.

The following organizational units are attached to the Finance and Administration Cabinet:

- a) Office of Financial Management
- b) Office of the Controller
- c) Department for Administration
- d) Department of Facilities Management
- e) State Property and Buildings Commission
- f) Kentucky Pollution Abatement Authority
- g) Kentucky Savings Bond Authority
- h) Deferred Compensation Systems
- i) Office of Equal Employment Opportunity and Contract Compliance
- j) Office of Capital Plaza Tower Operations
- k) County Officials Compensation Board
- l) Kentucky Employees Retirement System
- m) Commonwealth Credit Union
- n) State Investment Commission
- o) Kentucky Housing Corporation
- p) Governmental Services Center
- q) Kentucky Local Correctional Facilities Construction Authority
- r) Kentucky Turnpike Authority
- s) Historic Properties Advisory Commission
- t) Kentucky Tobacco Settlement Trust Corporation
- u) Eastern Kentucky Exposition Center Corporation
- v) State Board for Proprietary Education
- w) The Governor's Office for Technology



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- x) The Kentucky Higher Education Assistance Authority
- y) The Kentucky River Authority

The following organizational units are transferred from the Revenue Cabinet and attached to the Finance and Administration Cabinet:

- a) Department of Property Valuation
- b) Department of Tax Administration
- c) Office of Financial and Administrative Services
- d) Department of Law
- e) Department of Information Ombudsman

The following organizational units are transferred from the Education, Arts, and Humanities Cabinet and attached to the Finance and Administration Cabinet:

- a) Kentucky Teachers' Retirement System Board of Trustees

HEALTH AND FAMILY SERVICES CABINET

I. The Health and Family Services Cabinet is hereby created and established. A Secretary appointed by the Governor pursuant to KRS 12.255 shall head the Cabinet for Health and Family Services. Except as otherwise provided, the Secretary shall have exclusive control and direction over all duties, functions, and responsibilities previously exercised by the Secretary of the Cabinet for Health Services and the Secretary of the Cabinet for Families and Children. All authority, functions and responsibilities previously vested in the Secretary of Cabinet for Health Services and Secretary of the Cabinet for Families and Children are hereby transferred to the Secretary of the Health and Family Services Cabinet who shall use that authority, function and responsibility to carry out the functions of the Cabinet. The Secretary shall be responsible for making recommendations for the establishment of various departments, divisions and organizational units within the Cabinet so as to maximize efficiency of operation in order to carry out the missions and programs of the Cabinet. The Cabinet for Health Services and the Cabinet for Families and Children are hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the Cabinet for Health Services and the Cabinet for Families and Children are hereby transferred to the Health and Family Services Cabinet.

The following organizational units are transferred from the Cabinet for Families and Children and attached to the Health and Family Services Cabinet:

- a) Department for Community Based Services
- b) Department for Disability Determination Services
- c) Public Assistance Appeals Board
- d) Office of the Secretary
- e) Kentucky Commission on Community Volunteerism and Service
- f) Office of the General Counsel
- g) Office of Program Support
- h) Office of Family Resource and Youth Services Centers



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- i) Office of Technology Services
- j) Office of the Ombudsman

The following organizational units are transferred from the Cabinet for Health Services and attached to the Health and Family Services Cabinet:

- a) Department for Public Health
- b) Department for Medicaid Services
- c) Department for Mental Health and Mental Retardation Services
- d) Kentucky Commission on Children with Special Health Care Needs
- e) Office of Certificate of Need
- f) Office of the Secretary
- g) Office of the General Counsel
- h) Office of the Inspector General
- i) Office of Aging Services

The following organizational unit is transferred from the Office of the Governor and attached to the Health and Family Services Cabinet:

- a) Office of Child Abuse and Domestic Violence Services

TRANSPORTATION CABINET

I. The Transportation Cabinet is hereby re-created and established. A Secretary appointed by the Governor pursuant to KRS 12.255 shall head the Transportation Cabinet. The Secretary shall have exclusive control and direction over all duties, functions, and responsibilities of the Cabinet and shall use that authority, function and responsibility to carry out the functions of the Cabinet. The Secretary shall be responsible for making recommendations for the establishment of various departments, divisions and organizational units within the Cabinet so as to maximize efficiency of operation in order to carry out the missions and programs of the Cabinet.

The following organizational units are attached to the Transportation Cabinet:

- a) Department of Highways
- b) Department of Vehicle Regulation, with the exception of the Vehicle Enforcement Division
- c) Department of Administrative Services
- d) Department of Fiscal Management
- e) Department of Rural and Municipal Aid
- f) Department of Human Resources Management
- g) Office of the Secretary
- h) Office of General Counsel and Legislative Affairs
- i) Office of Public Affairs
- j) Office of Policy and Budget
- k) Office of Technology
- l) Office of Quality
- m) Office of the Transportation Operations Center



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- n) Office of Transportation Accountability

COMMERCE CABINET

I. The Commerce Cabinet is hereby created and established. A Secretary appointed by the Governor pursuant to KRS 12.255 shall head the Commerce Cabinet. Except as otherwise provided, the Secretary shall have exclusive control and direction over all duties, functions, and responsibilities previously exercised by the Secretary of the Tourism Development Cabinet. All authority, functions, responsibilities, records, equipment, staff and support budgets previously vested in the Secretary of the Tourism Development Cabinet, and the authority, functions, responsibilities, records, equipment, staff and support budgets previously vested in the Secretary of the Education, Arts, and Humanities Cabinet for the organizational units transferred from the Education, Arts, and Humanities Cabinet, are hereby transferred to the Secretary of the Commerce Cabinet who shall use that authority, function and responsibility to carry out the functions of the Cabinet. The Secretary shall be responsible for making recommendations for the establishment of various departments, divisions and organizational units within the Cabinet so as to maximize efficiency of operation in order to carry out the missions and programs of the Cabinet. The Tourism and Development Cabinet is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the organizational units of the Tourism Development Cabinet identified below are hereby transferred to the Commerce Cabinet.

The following organizational units are transferred from the Tourism Development Cabinet to the Commerce Cabinet:

- a) Department of Travel
- b) Department of Parks
- c) Department of Fish and Wildlife Resources
- d) Kentucky Horse Park Commission
- e) State Fair Board
- f) Office of Administrative Services
- g) Office of General Counsel
- h) Tourism Development Finance Authority

The following organizational units are transferred from the Education, Arts, and Humanities Cabinet to the Commerce Cabinet:

- a) Kentucky Arts Council
- b) Kentucky Historical Society
- c) Kentucky Center for the Arts
- d) Kentucky Craft Marketing Program
- e) Governors' School for the Arts
- f) Kentucky African-American Heritage Commission
- g) The Kentucky Heritage Council



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The following organizational units are transferred from the Office of the Governor and attached to the Commerce Cabinet:

- a) Kentucky Appalachian Commission

The following organizational units are attached to the Commerce Cabinet:

- a) Commission on Small Business Advocacy

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

I. The Cabinet for Environmental and Public Protection is hereby created and established. A Secretary appointed by the Governor pursuant to KRS 12.255 shall head the Environmental and Public Protection Cabinet. Except as otherwise provided, the Secretary shall have exclusive control and direction over all duties, functions, and responsibilities previously exercised by the Secretary of the Natural Resources and Environmental Protection Cabinet, the Secretary of the Public Protection and Regulation Cabinet and the Secretary of the Labor Cabinet. All authority, functions and responsibilities previously vested in the Secretary of the Natural Resources and Environmental Protection Cabinet, the Secretary of the Public Protection and Regulation Cabinet and the Secretary of the Labor Cabinet are hereby transferred to the Secretary of the Environmental and Public Protection Cabinet who shall use that authority, function and responsibility to carry out the functions of the Cabinet. The Secretary shall be responsible for making recommendations for the establishment of various departments, divisions and organizational units within the Cabinet so as to maximize efficiency of operation in order to carry out the missions and programs of the Cabinet. The Natural Resources and Environmental Protection Cabinet, the Public Protection and Regulation Cabinet and the Labor Cabinet are hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the Natural Resources and Environmental Protection Cabinet, Public Protection and Regulation Cabinet and the Labor Cabinet are hereby transferred to the Cabinet for Environmental and Public Protection.

The following organizational units are transferred from the Natural Resources and Environmental Protection Cabinet and attached to the Environmental and Public Protection Cabinet:

- a) Environmental Quality Commission
- b) Kentucky Nature Preserves Commission
- c) Department for Environmental Protection
- d) Department for Natural Resources
- e) Department for Surface Mining Reclamation and Enforcement
- f) Office of Legal Services
- g) Office of Information Services
- h) Office of Inspector General



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The following organizational units are transferred from the Public Protection and Regulation Cabinet and attached to the Environmental and Public Protection Cabinet:

- a) Public Service Commission
- b) Department of Insurance
- c) Department of Housing, Buildings and Construction
- d) Department of Financial Institutions
- e) Department of Mines and Minerals
- f) Department of Public Advocacy
- g) Department of Alcoholic Beverage Control
- h) Kentucky Racing Commission
- i) Board of Claims
- j) Crime Victims Compensation Board
- k) Kentucky Board of Tax Appeals
- l) Office of Petroleum Storage Tank Environmental Assurance Fund
- m) Department of Charitable Gaming
- n) Mine Safety Review Commission
- o) Kentucky Athletic Commission

The following organizational units are transferred from the Labor Cabinet and attached to the Environmental and Public Protection Cabinet:

- a) Department of Workplace Standards
- b) Department of Workers' Claims
- c) Kentucky Labor-Management Advisory Council
- d) Occupational Safety and Health Standards Board
- e) Prevailing Wage Review Board
- f) Workers' Compensation Board
- g) Kentucky Employees Insurance Association
- h) Apprenticeship and Training Council
- i) State Labor Relations Board
- j) Kentucky Occupational Safety and Health Review Commission
- k) Office of Administrative Services
- l) Office of Information Technology
- m) Office of Labor-Management Relations and Mediation
- n) Office of General Counsel
- o) Workers' Compensation Funding Commission
- p) Employers Mutual Insurance Authority

JUSTICE AND PUBLIC SAFETY CABINET

I. The Cabinet for Justice and Public Safety is hereby created and established. A Secretary appointed by the Governor pursuant to KRS 12.255 shall head the Cabinet for Justice and Public Safety. Except as otherwise provided, the Secretary shall have exclusive control and direction over all duties, functions, and responsibilities previously



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exercised by the Secretary of the Justice Cabinet. All authority, functions and responsibilities previously vested in the Secretary of the Justice Cabinet are hereby transferred to the Secretary of the Cabinet for Justice and Public Safety who shall use that authority, function and responsibility to carry out the functions of the Cabinet. The Secretary shall be responsible for making recommendations for the establishment of various departments, divisions and organizational units within the Cabinet so as to maximize efficiency of operation in order to carry out the missions and programs of the Cabinet. The Justice Cabinet is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets of the Justice Cabinet are hereby transferred to the Cabinet for Justice and Public Safety.

The following organizational units are attached to the Justice and Public Safety Cabinet:

- a) Department of State Police
- b) Department of Criminal Justice Training
- c) Department of Corrections
- d) Department of Juvenile Justice
- e) Office of the Secretary
- f) Office of the Deputy Secretaries
- g) Office of General Counsel
- h) Division of Kentucky State Medical Examiners Office
- i) Parole Board
- j) Kentucky State Corrections Commission
- k) Commission on Correction and Community Service

The following organizational units are transferred from the Transportation Cabinet and attached to the Justice and Public Safety Cabinet:

- a) Division of Vehicle Enforcement

The following organizational units are transferred from the Office of the Governor and attached to the Justice and Public Safety Cabinet:

- b) The Kentucky Agency for Substance Abuse Policy

ECONOMIC DEVELOPMENT CABINET

The Economic Development Cabinet is not affected by this reorganization.



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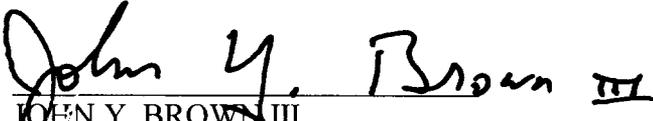
PART THREE

GENERAL ADMINISTRATION

1. All administrative regulations previously promulgated under the authority of the Executive Branch Cabinets prior to the filing of this Order shall remain in full force and effect and shall be administered by the Executive Branch Cabinets set forth herein until such time as those regulations are reviewed and re-promulgated by the newly established Cabinets.
2. All advisory bodies, committees, boards and commissions, created under the provisions of the Kentucky Revised Statutes, or otherwise, and attached to the Executive Branch Cabinets as they existed prior to the filing of this Order are hereby transferred and so attached to the appropriate newly established Cabinet with applicable subject matter jurisdiction.
3. The Secretary of the Executive Cabinet, the Commissioner of the Department of Personnel, and the Governor's Office for Policy and Management are directed to take such steps as are necessary to effectuate the provisions of this Order.
4. Except as otherwise provided, all personnel, records, equipment, facilities, functions, and budgets within the Cabinets abolished by this Order are hereby transferred to the newly created or re-created Cabinets in accordance with the division of jurisdictional responsibilities enumerated herein until such time as the Cabinet Secretaries shall submit their recommendations on further organization of the new Cabinets.
5. All questions that arise in interpreting any provisions of this Order shall be resolved by the Governor with the advice of the Secretary of the Executive Cabinet in accordance with KRS 12.100.

This order is effective December 16, 2003.


ERNIE FLETCHER, Governor
Commonwealth of Kentucky


JOHN Y. BROWN III
Secretary of State

REORGANIZATION PLAN

This Executive Order abolishes several program Cabinets and transfers the respective duties, functions, and responsibilities of the abolished Cabinets to newly and/or re-created Cabinets. The reorganization is for administrative purposes resulting in a reduction of personnel. Therefore, the fiscal impact of the Reorganization will not result in any net increased expenditures to Kentucky state government.